

Message

From: Erin Crosby [REDACTED]@google.com]
Sent: 6/19/2019 11:03:51 PM
To: Jim Kolotouros [REDACTED]@google.com]
CC: Sameer Samat [REDACTED]@google.com]; Jamie Rosenberg [REDACTED]@google.com]; Paul Gennai [REDACTED]@google.com]
Subject: Re: Banyan

Ok sg - happy to keep it. I will remove the hold and let the admins know we will keep. However, if something changes, let us know.

On Wed, Jun 19, 2019 at 11:37 AM Jim Kolotouros <[REDACTED]@google.com> wrote:
for what it's worth, I think it will be helpful. we might not need the full 60 minutes, but a check-in will be time well spent. thanks.

On Wed, Jun 19, 2019 at 11:18 AM Erin Crosby <[REDACTED]@google.com> wrote:
Hey Sameer,

Checking in - would it be helpful to keep the Samsung followup (from Monday's mtg) on Friday from 11-12pm before you all go to HK? You mentioned you think you will need two mtgs on this topic before HK and this would be the second mtg.

Best,
Erin

----- Forwarded message -----

From: **Erin Crosby** <[REDACTED]@google.com>
Date: Fri, Jun 14, 2019 at 9:19 AM
Subject: Re: Banyan
To: Sameer Samat [REDACTED]@google.com>
Cc: Jim Kolotouros <[REDACTED]@google.com>, Jamie Rosenberg <[REDACTED]@google.com>, Hiroshi Lockheimer <[REDACTED]@google.com>, Paul Gennai <[REDACTED]@google.com>, Purnima Kochikar <[REDACTED]@google.com>, Tristan Ostrowski <[REDACTED]@google.com>, Donald Harrison <[REDACTED]@google.com>, Tian Lim <[REDACTED]@google.com>, Kate Lee <[REDACTED]@google.com>, Rosie Lipscomb <[REDACTED]@google.com>

NP - working with some of your admins on another thread to hold time Monday 3-4pm and a follow up Friday 11-12pm if needed.

On Thu, Jun 13, 2019 at 10:16 PM Sameer Samat <[REDACTED]@google.com> wrote:
Love the determination!! Always good to have a BATNA for you to negotiate hard!

Monday would be great -- Erin will help set it up.

sameer

EXHIBIT 787

On Thu, Jun 13, 2019 at 10:14 PM Jim Kolotouros <[REDACTED]@google.com> wrote:
** attorney client privileged **

I am meeting with Rosie at 3pm (pacific) on Friday along with Chris, Anna and John to get clarity on what proposed structures are possible. With Rosie's guidance, I will work with the crew to develop a strong

opinion on best next steps and more specifically, some deal options for consideration, and a recommendation.

Not much going on next week in advance of Hong Kong, so it will be easy for me to schedule time which is sensitive to everyone's schedules. Perhaps Monday afternoon at 3 or 4pm to get the ball rolling?

And just to plant a flag in the sand: we will get a deal done. Purnima, Jamie and Paul's time will be well spent assembling a Plan B. But not getting a deal done means an "NI" in my next Perf cycle.

thanks. Jim

On Thu, Jun 13, 2019 at 1:16 PM Sameer Samat <████████@google.com> wrote:
thanks jim.

Trying to plan out next week -- when should we get together again on Samsung as a group?

Jim is working on what a deal would look like...

Jamie / PaulG are working on response plan if we don't do a deal ...

It would be great to get together and discuss both.

+Erin Crosby erin could you work with Jim / Jamie to figure out what makes sense? This is top priority for me so anything else can move.

sameer

On Wed, Jun 12, 2019 at 10:56 PM Jim Kolotouros ██████████@google.com> wrote:
** attorney client privileged **

Adding Rosie and Kate

I am assembling the structure now that I believe can align us for several years. I spoke with Finance today on the construct and I have asked Chris and Anna to engage with Competition Counsel to stress-test its requirements and assumptions.

Once the idea is further validated, we'll send out a note. It does not involve revenue share on search and/or Play. It does involve guarantees and bonuses in exchange for device volume commitments.

thanks.

On Wed, Jun 12, 2019 at 10:41 PM Jamie Rosenberg <████████@google.com> wrote:
PRIVILEGED

I'd assume that a pre-condition for any sort of rev share arrangement with Samsung is that we'd achieve structural alignment on business model -- I think that was Paul's assumption as well. In other words, if we couldn't use rev share to secure confidence that they won't drive down to 5%, then we wouldn't do it. (Subject to lots of legal advice on what "securing confidence" can mean)

On the flip side, in a scenario in which we decide to save that money in order to invest it in competing with them, it feels very hard to fully protect ourselves from Samsung using the developer rate as its primary vehicle to try to swing share.

On Wed, Jun 12, 2019 at 10:23 AM Hiroshi Lockheimer <████████@google.com> wrote:
PRIVILEGED

Thanks Paul. A quick thought on:

if we're willing to share Play revenue with carriers as part of the recent RSA discussions, shouldn't we be willing to do the same with Samsung on at least the same terms?

I think the difference is if Samsung are going to take the money we pay them and use it towards driving the 30% down to say, 5%.

On Wed, Jun 12, 2019 at 9:05 AM Paul Gennai <████████@google.com> wrote:
PRIVILEGED

I'm going to be largely offline for the next 48 hours or so, so sending across some thoughts before I can reconnect on Friday (I can make time for this). Apologies in advance for the length.

As a starting point, I agree that it's important to run quickly against Hug / get ourselves into a reasonably comfortable state with the biggest developers. I'd also put the loyalty program work into a similar category -- things we know can help the long-game and have long lead-times. FWIW, I don't really know what the loyalty program is optimized for right now... I'd suspect you'd do things differently on the basis of optimizing for Android platform loyalty vs. Play loyalty on Android.

On the carrier deals point from Sameer's note, I agree that this feels like the right approach. It's particularly useful if Samsung trap themselves by going down to a 5% take, which could isolate them from the perspective of carriers (noting left to share). The question I have here is: if we're willing to share Play revenue with carriers as part of the recent RSA discussions, shouldn't we be willing to do the same with Samsung on at least the same terms? From the notes in the other thread, it sounded like we're trying to steer away from it -- but if it's helpful in one case (carriers), I'm not sure why not the other. The risk of the ecosystem being split feels fairly tractable here.

The rest of my thinking here is largely structured similarly to when we were thinking about Kakao a few years ago. Note that this is largely thinking related to games. I still think that the long term play for regular apps is ephemeral, but that's another topic :-)

Discovery and Reach: Getting a higher % of installs

Besides some listings on Google search (which we have very little to do with / have minimal association with Play) there isn't much we're doing across the Android surface areas to drive installs today. Samsung, in fact, seems a lot better at this in using -1, their search box, launcher and Games app to drive installs. In a situation where we're battling for installs, we'd be looking to much better utilize things like search suggest, -1, launcher, YouTube, Play Games, etc. *I think at some level a goal should be increasing the % of organic installs that Google is driving outside of Play itself.*

The biggest step-change though might be Chrome on desktop. A consumer-friendly emulator within Chrome could expand the market for existing games on Play enormously (in contrast to the hard-core type use-cases of today's), and likely even opens up the possibility of a different tier of higher-end

titles being distributed. There's a project looking into this right now, but potentially through a different lens.

Platform Value: More value by using more of Google

The more that developers use Google's APIs, the healthier Play generally is (more value associated with Google, tougher to pick up an APK and distribute elsewhere, etc.). Today that value is very direct / Play does little to differentiate on the basis of using other Google services. We could think about ways to boost visibility of applications based on signals from Play Games Services ("most number of players right now", "most achievements reached in the past hour", etc.), potentially enhance in-app monetization for signed-in users in some way, etc.

There's also the other side of this: That these APIs are available to apps whether they're installed through Play or not. FWIW, I suspect that usage of GMS Core in games is generally lower outside of Games Services (which Samsung has a version of). We should likely check.

Play Value: An install on Play is worth more

In a world where two stores both offer 70% rev-share, we'd ideally be thinking of ways to have a dollar earned on our platform be worth more than a dollar earned elsewhere. Some of that could be giving money back to spend elsewhere (Hug, Cloud Credits, etc.), but I do think that there should be something around the charts here. Today, if you're big and you fragment your distribution, it's unlikely to affect your position in the charts. I've always wondered whether taking things like momentum into account / changing the analyzed periods could help with this sort of thing. Economists may have good ideas.

Paul

On Wed, Jun 12, 2019 at 12:27 AM Purnima Kochikar <████████@google.com> wrote:
Privileged

Hi Sameer,

Thanks for the feedback. I started this docs to collate some responses to your concerns. (Jamie, Paul, please add/edit).

TL; DR: Hug provides terms to prevent Samsung exclusives for the most lucrative and risky devs (22 currently). We believe this will persuade other devs to follow suit. Hug does not preclude devs from also launching on the Galaxy Store, and does not provide remedies against aggressive discounting by Samsung. Our reach and expansion efforts are working, however, Samsung users continue to drive most of Play revenues, especially in key markets. Our FOPs infra gives us significant competitive advantage in the short-mid term. We need stronger xGoogle product integrations and store capabilities (top charts handling, LiveOps management etc) to build on the FOPs advantage.

Re: Fortnite - It was a bad deal for Samsung. They spent a very significant % of their marketing budget in return for a 4 DAY exclusive to distribute the Epic launcher, which enables Epic to distribute other apps and games on those devices! Whoever negotiated the deal did not understand the basics of the app ecosystem, undermined Samsung's own store ambitions, and potentially exposed their users to security risks. It is fortunate that this effort was not very successful :-)

Jamie, Paul, happy to find time to sync up on next steps.

P

On Tue, Jun 11, 2019 at 7:14 PM Tristan Ostrowski <[REDACTED]@google.com> wrote:
Yes, happy to keep working on a legal roadmap through this. If anything the timing is relatively good now given where we are [REDACTED] Happy to chat through.

On Tue, Jun 11, 2019 at 3:47 PM Jamie Rosenberg [REDACTED]@google.com> wrote:

*** Attorney client privileged ***
*** seeks advice of counsel***

Sameer, thanks for the summary... and yes, we'll put some thoughts together on this. (Some of these are already in flight, such as including Play protections in the new round of carrier RSAs for this very reason).

I fully believe that on the basis of execution and momentum alone, we are well positioned to compete. We also likely have a healthy appetite to spend at scale to protect and grow the business.

The one risk I continue to worry about is the scenario in which Samsung comes out with a very public and disruptive rev share model (i.e., it just decides that it will only take 5% and use its app store for purposes of building FOPs and user profiles and differentiating devices). Despite our best efforts to secure distribution for our app store, if Samsung wins the hearts & minds of developers on this, it could create enormous pressure on us to unblock their opportunity one way or another. I think devs will tolerate some premium pricing for distribution through Play/ Google and all that we provide.. but not a gap that wide.

I'm sure there is lots of legal advice on dos and don'ts here... feels like a risk that's very difficult to mitigate if we don't find a path to partnership. We will think through it...

On Tue, Jun 11, 2019 at 3:12 PM Sameer Samat <[REDACTED]@google.com> wrote:
*** Attorney client privileged ***
*** seeks advice of counsel***

Appreciate Tristan's views here.

Assuming we did not do a deal with Samsung for their store, we should think about how to compete.

Their tactics will be straightforward from what I gather:

- Exclusives and unique content by discounting rev share as "payment".
- Promotions and discounts to users to use their store using notifications, emails, etc

YJ also said some cryptic thing that he would *not* do another deal like Fortnite again. I asked why -- he said it was not good for google /samsung. I didn't fully understand. I asked why he would do such a deal anyway because it didn't help his FOP or store business and he ran around in circles and didn't answer.

Purnima, Jamie, PaulG could you all pull together a view of how we would effectively compete if there was 'no deal' to be done?

A few brainstorm things I wanted to share just as input:

First, I was reminded by NCSoft how important top-charts are to them and other JP/KR devs. They are worried about downloads and spend shifting from one store to the other because they may loose top charts position and this matter for external analyst and investor relations. I think it is important to remember this and figure out the best ways to promote this data. BTW, perhaps there are ways to make this a 'tier' within play -- if you are in top charts perhaps you get some special stuff from us? Does it qualify you for different rev share? Does it give you other benefits?

Second, it would be interesting to think about whether there are any deals with the carriers that we could do that help play. I remember the Chrome / hotseat situation and wondering if there is something here that would be similar.

Third, it would be good to discuss where we feel we are at most risk. I assume it is with international devs (e.g. Riot, Blizzard) that do not value our help in taking them global nearly as much.

Fourth, is there some reach expansion strategy that would help devs see a bigger pie than just Samsung. Is there perhaps where emulation and expansion to Windows comes in? To the extent that opens up much wider reach perhaps it gives us enhanced reach.

Fifth, is there more we need to do on the devtech side (e.g. invest more here). It is possible, btw, even without a commercial deal with samsung we could partner on this aspect.

sameer

--
Purnima Kochikar
Google Play, Apps & Games
[REDACTED]@google.com
[REDACTED]

--
Paul Gennai | Product Management Director [REDACTED]

--

[REDACTED]

- **Erin Crosby**
- ABP for Sameer Samat (Android + Google Play)

[REDACTED]@google.com
[REDACTED] : [REDACTED]

--

[REDACTED]

- **Erin Crosby**
- ABP for Sameer Samat (Android + Google Play)

[REDACTED]@google.com
[REDACTED]; [REDACTED]

--

[REDACTED]

- **Erin Crosby**
- ABP for Sameer Samat (Android + Google Play)

[REDACTED]@google.com
[REDACTED] [REDACTED]

GOOG-PLAY-001877016**Metadata**

All Custodians	Jamie Rosenberg; Jim Kolotouros; Sameer Samat	SEMANTIC
Author	ecrosby	SEMANTIC
Cc	sameer sam [REDACTED] ogle.com>; paul gennai [REDACTED] i@google.com>; jamie rosenberg [REDACTED].com>	SEMANTIC
Confidentiality	HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY	SEMANTIC
Custodian	Jamie Rosenberg	SEMANTIC
Date Modified	06/19/2019 11:03 pm	SEMANTIC
Date Sent	06/19/2019 11:03 pm	SEMANTIC
Extension	eml	SEMANTIC
File Size	64416	SEMANTIC
From	erin crosby [REDACTED] @google.com>	SEMANTIC
MD5 Hash	D08B5A3DB28657152397D185761C8004	SEMANTIC
Message Id	<CAJFaesPM1_k0xQidFMFCY-aZ7Sbs=k2Kb0Jv403oo+CGg8fv7g@mail.gmail.com>	SEMANTIC
Parent Date	06/19/2019 11:03 pm	SEMANTIC
Primary Date	06/19/2019 11:03 pm	DOC_TYP E_ALIAS
Production Volume	PROD014	SEMANTIC
Record Type	E-mail	SEMANTIC
Redacted	No	SEMANTIC
Subject	Re: Banyan	SEMANTIC
Time Zone	UTC	SEMANTIC
Title	Re: Banyan	SEMANTIC
To	jim kolotouros [REDACTED] @google.com>	SEMANTIC